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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON**

15 | In re:

Case No.: 04-08822-PCW11

Chapter 11

THE CATHOLIC BISHOP OF SPOKANE a/k/a THE CATHOLIC DIOCESE OF SPOKANE

Debtor.

COMMITTEE OF TORT LITIGANTS,

Adv. Case No. 05-80038

Plaintiff.

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THE CATHOLIC BISHOP OF SPOKANE, et al.,

**AFFIDAVIT OF JAMES I.
STANG, ESQ. IN SUPPORT OF
COMMITTEE OF TORT
LITIGANTS' MOTION FOR
PARTIAL SUMMARY
JUDGMENT**

Defendants.

1
2 James I. Stang, being duly sworn, deposes and says:

3 1. I am an attorney at law duly authorized to practice before all of the courts
4 for the State of California. I have also been admitted pro hac vice to appear in the
5 above-captioned adversary proceeding. I am a shareholder in the law firm of
6 Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C. ("PSZYJW"), counsel to the
7 Committee of Tort Litigants (the "Committee") in the instant matter. I make this
8 affidavit in support of the Committee of Tort Litigants' Motion for Partial Summary
9 Judgment (the "Motion"), filed concurrently herewith. I make this Affidavit based on
10 personal knowledge. If called as a witness, I would and could testify competently as
11 to the matters contained herein.

12 2. On behalf of the Committee, PSZYJW drafted the Complaint for
13 Declaratory Relief and Substantive Consolidation (the "Complaint"), which
14 commenced the above-captioned adversary proceeding. The Complaint names the
15 Diocese and approximately 179 "Diocese-Related Entities" as Defendants. These
16 non-Diocese Defendants were identified from the Statement Line 14, Amended
17 Statement Line 14, Schedule F, Amended Schedule F, and the Diocese Website, as
18 those terms are defined in the Complaint at ¶¶10-13.

19 3. Attached hereto as **Exhibit "1"** are true and correct copies of certain
20 documents that I received via Federal Express on March 23, 2005 from Michael J.
21 Paukert, Esq., of Paine, Hamblen, Coffin, Brooke & Miller LLP, counsel for the
22 debtor (the "Diocese") in the above-captioned case. Mr. Paukert represented to me
23 that the Diocese's counsel received these documents from various title companies and
24 county auditors (the "Title Information"). The Title Information enclosed at Exhibit 1
25 was provided to me in two binders, one of which was organized with side tabs
26 separating Title Information county-by-county, the other of which was organized with
27 side tabs separating Title Information relating to some 29 Diocese-Related Entities.

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4. I oversaw the Title Information review that Jorge Rojas, a paralegal at PSZYJW, performed of the Title Information. I instructed Mr. Rojas to summarize the Title Information for each Diocese-Related Entity in the binder organized by Diocese-Related Entity. (The binder providing information based on the county in which the deeds were recorded is not part of Exhibit 1 or Exhibit 2). Attached hereto as Exhibit “2” is a true and correct copy of the spreadsheet that Mr. Rojas generated reflecting his summary of Title Information relating to the parishes against which the Committee brings the Motion (the “Parishes”).

5. None of the Title Information indicates that anyone other than the Diocese has an interest in the Disputed Real Property that is used by the Parishes. (The term “Disputed Real Property” is defined in paragraph 14 of the Committee’s Complaint but has been limited in the Motion to refer only to the Disputed Real Property relating to the Parishes).

6. Attached hereto as **Exhibit “3”** is a true and correct copy of the reporter’s transcript of the meeting of creditors held in the above-captioned bankruptcy case on January 5, 2005.

7. The St. Patrick School is no longer part of the St. Patrick Parish in Walla Walla, Washington. Attached hereto as **Exhibit “4”** is a true and correct printout of the website, www.dioceseofspokane.org/Schools/schools.htm, printed on March 24, 2005. Exhibit 4 lists all Catholic schools in the Diocese. St. Patrick School is not on that list.

8. Attached hereto as **Exhibit “5”** is a true and correct copy of a page from the St. Patrick Parish webpage, which was accessed on the website, <http://parishoneline.com/scripts/HostedSites/org.asp?p=3&ID=14610>, printed on February 16, 2005.

1 9. Attached hereto as **Exhibit "6"** is a true and correct copy of the
2 memorandum opinion in Akoury v. Roman Catholic Archbishop of Boston, 2004 WL
3 2341333, 18 Mass.L.Rptr. 271 (Mass. Super. 2004).

4 10. Attached hereto as **Exhibit "7"** is a true and correct copy of a Certificate
5 of Amendment from the State of Washington Secretary of State, dated May 22, 1990.
6

7 11. On or about March 15, 2005, I participated in a Federal Rule of Civil
8 Procedure 16(b) telephonic conference (the "Rule 16(b) Conference"). Based on
9 statements by the Diocese's counsel during that the Rule 16(b) Conference, the
10 Diocese contends that parties to the instant adversary proceeding should include
11 parishioners and donors of the Disputed Real Property or of funds used to maintain
12 the Disputed Real Property. During the Rule 16(b) Conference, I asked the Diocese to
13 explain its affirmative defense relating to failure to join necessary parties, and to
14 identify such parties. Counsel responded that the parties would include people who
15 might have an interest in the properties, such as parishioners and donors. I asked if
16 the Diocese intended to amend further Statement Line 14 and Amended Statement
17 Line 14 to add these parties. The Diocese counsel stated that the Diocese does not
18 intend to do so. During this Rule 16(b) Conference, the Diocese stated that as trustee
19 for the Disputed Real Property, it had an independent obligation to research any
20 factual basis supporting the claims of beneficiaries.

21 12. Attached hereto as **Exhibit "8"** is a true and correct copy of Miller v.
22 Catholic Bishop of Spokane, 2004 WL 2074328 (Wash.App. 2004).
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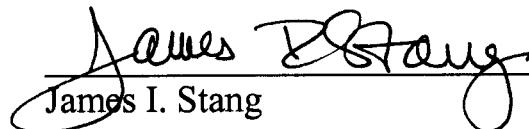
24 13. Attached hereto as **Exhibit "9"** is a true and correct copy of the Lease
25 dated October 1, 1997 by and between the Catholic Bishop of Spokane, a corporation
26 sole (as lessor) and Northeast Washington Early Childhood Program (as lessee),
27 which I received via facsimile on April 6, 2005, from John Ambrose Bardelli, Esq.,
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1 counsel of record to the appellant in Miller v. Catholic Bishop of Spokane, 2004 WL
2 2074328 (Wash.App. 2004).

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4 14. Attached hereto as **Exhibit “1D”** is a true and correct copy of the
5 Catholic Diocese of Spokane Diocesan Policy Manual, printed from
6 <http://mail.dioceseofspokane.org/intranet/Policy/TableofContents.htm>, printed on
7 February 15, 2005. The e-filed copy is in a searchable .pdf format.

8 Dated: April 7, 2005

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11 James I. Stang

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16 Sworn to and subscribed before
17 me this 7th day of April, 2005.
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20 Notary Public
21 My Commission Expires: 11/27/08
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STANG AFFIDAVIT IN SUPPORT OF COMMITTEE

MOTION FOR PARTIAL SUMMARY JUDGMENT 4

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